The Effect of Values on Talent Management Practices and Productivity

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Abstract

The differences in productivity among companies and countries are among the main subjects in the field of economics. One of the explanatory factors is the quality of management; having a positive influence on productivity. There are three different parts to focus on within management: monitoring, targets and incentives. This research focuses on the last. Talent Management (TM) practices entail how firms identify their key positions, how they manage their human capital, how they remove poor performers and how they reward and promote their high performers. The countries in this research show to have different quality levels of TM practices. In this paper, the importance of family, friends, leisure time, politics, work and religion have partly explained why certain countries have practices of better quality. These values have also proven to have an influence on productivity. Based on these results, companies are advised to take the predominant values within a country into account when formulating their management and productivity strategy. However, there remains a lot more research to be done to prepare companies for the war for talent.

The Effect of Values on Talent Management Practices and Productivity

"If we learn anything from the history of economic development, it is that culture makes all the difference"

- *Londes (1998)*

1. Introduction

Productivity has been, and will probably always remain, one of the main subjects in the field of economics. Economists have been searching for answers to questions such as: what is the productivity of a firm? What influences this productivity and what can the firm do to increase it? But most importantly, why are there differences in productivity – not only between organizations but also between countries? (Hall & Jones, 1999). This research will help decipher this problem, not only by adding the factor of Talent Management practices, but also by looking at the effect of differences in values between countries.

Managers can affect the decisions made about investments, finances and organizational issues within a company (Bertrand & Schoar, 2002). High performance managers are often associated with practices such as effective incentive systems, a high attention to skill development and the effective use of teams (Gibbons & Henderson, 2013). It is, therefore, expected that these management practices are more likely to be found at more productive companies. Part of management practices is focused on Talent Management. Since the 'War for Talent' (Chambers, Foulon, Handfield-Jones, Hankin & Michaels, 1998) a lot has been written about Talent Management. It remains an interesting and relevant topic, since there is an increasing shortage of useful and promising talent within organizations (Tarique & Schuler, 2010). Plus, the constantly changing cycles of business growth keep asking for different characteristics in new talent (Ashton & Morton, 2005).

Previous articles have been directed towards the subject as to why there are differences in productivity and whether they can be explained by management practices. One of the

outcomes that is often received confirms that management practices indeed have an influence on productivity (Bloom, Dorgan, Dowdy & Van Reenen, 2007). But why are there still companies that do not adopt these superior management practices if they can increase productivity? The adaption and quality of management practices varies significantly between countries (Bloom & Van Reenen, 2010). Another characteristic that differs among countries is the importance of certain institutions. This paper will combine these observations to find the answer to the question:

If the level of productivity of a company and the quality of Talent Management practices differ across countries, to what extend can the importance of values explain these differences?

Finding the answer to this question will bring research one step further in the right direction in the challenge of explaining the differences in performance. It will help formulate better strategies for firms that are challenged with a low(er) productivity.

To find the answer to this question, data is extracted from the databases of the World Management Survey, the World Values Survey and the European Values Survey. Six sub-questions will divide the ultimate research question into smaller, more manageable, parts. With this data, conclusions will be drawn showing that differences in productivity, in Talent Management practices and in values among countries do appear to exist. Management practices influence productivity and both management practices and productivity are influenced by the importance of family, friends, leisure time, politics, work and religion within a country. However, some of these values have a larger influence than others.

The subsequent chapter of this paper will set the background and provide the necessary theory for this research. Chapter 3 will describe the data that is used in this research and the empirical strategy that will be followed. The results will be described in Chapter 4 while Chapter 5 will discuss conclusions, limitations and several ideas that could be used in further research.

2. Theory

2.1 Talent management

Talent can be a source of competitive advantage for a company; that is, if it is properly identified, nurtured and used (Mellahi & Collings, 2010). The way to make the most out of the talent that is present in a company, is by using Talent Management (TM) practices. Lewis & Heckman (2006) and Mellahi & Collings (2010) have summarized the three main descriptions in the literature about TM. The first main definition of TM is that it is a collection of different human resource management practices. These practices entail the formulation of incentives (such as remuneration systems, systems of appraisal, promotion and career advancement) and work organization (such as distribution of decision rights, job design, team work and information provision) (Bloom & Van Reenen, 2011). The second thought is that TM focuses on the concept and formation of talent pools to fill the most important positions within a company. And the last explanation focuses on the actual management of talent, how a firm can get the most out of their talented workers. Mellahi & Collings (2010) have also added a fourth view in their paper, which is very similar to the definition used by Cappelli (2008) and Collings & Mellahi (2009); TM is about identifying the positions within a firm that can potentially impact the competitive advantage. After identification, these positions need to be filled by developing a talent pool and by putting such human resource measures in place that talent wants to stay at the organization. This research will look at the TM practices that involve the identification of key positions, how firms manage human capital, how they remove poor performers and how they reward and promote high performers.

As mentioned before, ever since 'The War for Talent' by Chambers et al. (1998), TM has been an important subject. The relationship between better TM and an increase in performance has become more explicit (Wellins, Smith & Erker, 2009). However, in the paper in the McKinsey Quarterly about the struggle for talent it became clear that many companies are not prepared to 'fight' for their talented employees. The major challenge for firms is to attract and retain the right, talented people (Cappelli, 2008; Chambers et al., 1998; Mellahi & Collings, 2010). One of the factors that complicates the search for talent is that the group of talented workers is shrinking while talented workers have to be more sophisticated than before due to the current complex and dynamic economic environment (Chambers et al.,

1998; Wellins, et al., 2009). Large companies are no longer the only buyers on the talent market, as small- and medium-sized firms also have their eyes on the 'price'. Not only do boards and the economic environment require more from the employees, but employees themselves have changing and increasing expectations of their job (Wellins et al., 2009). Combined with an increase in mobility, both in switching jobs and in switching countries; the hunt for talent has turned into a severe battle. These challenges for TM are also reflected in the 2014 survey among business leaders and HR professionals conducted by Right Management[1]. They identified five major struggles, including the lack of skilled talent not only for key positions but also on all other levels within a firm; the lack of employee engagement; too few employees with leadership potential and losing potential leaders to other organizations (Right Management, 2014). In 1998, Chambers et al. advised companies to make TM a top priority, to refine a clear employee value proposition[2], to look closely at how to recruit talent and to develop a strategy to aggressively develop the talent of existing workers. Ten years later, Guthridge, Komm & Lawson (2008) state in the McKinsey Quarterly that the war for talent has not ended yet, and might even have become worse. However, the strategy to win this war has changed. It is more important to think long- instead of short-term, by not just paying attention to the top performers of the company but to all employees, by refining a number of value propositions because different people have different motives to work for a company and by giving human resources additional capabilities and resources to properly do their work (Guthridge et al., 2008). Important is especially that different workers require different ways of approaching them (Ulrich & Smallwood, 2012), which is why different value propositions are essential.

Management practices vary across firms and countries in both quantity and quality (Bloom & Van Reenen, 2010). On average, more competition in a market leads to better management practices (Bloom, Genakos, Sadun & Van Reenen, 2012; Bloom & Van Reenen, 2010). When economical times are hard, organizations are also more likely to adopt new measures as Bloom et al. (2012) find in their study of the World Management Survey. Other known influences of management practices are the level of labor regulation in a country, the

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[1] Right Management is a part of ManpowerGroup, a company that offers workforce solutions
http://www.right.com/
[2] A employee value proposition identifies why a person would want to work for your company. If you keep this in mind, you can organize your company such that you attract the right people.

ownership structure and status of a company, the level of education of both employees and managers and the information that is available to the company (Bloom et al., 2007).

Firms and countries specialize in different aspects of TM; management practices are not one size fits all (Gibbons & Henderson, 2013; Ansari, Reinecke & Spaan, 2014). Organizations in the United States are for instance very good in either 'fixing' or firing bad performers (Bloom et al., 2012; Bloom & Van Reenen, 2010; Bloom, Sadun & Van Reenen, 2007; Bloom, Homkes, Sadun & Van Reenen, 2011). On average they have very strong TM practices and managers receive a lot of freedom. In Northern Europe, managers experience a similar freedom while the control is more centered in Southern European countries. In a country such as Brazil, differences can be seen between companies in richer areas and those who are located in less developed regions; the previous having better management practices (Bloom & Van Reenen, 2012).

According to Right Management (2014) the best TM practices are about assessing the talent that you need, developing this talent and activating this talent by listening and engaging. With these it would be possible to create a 'culture of high performance' (Kuppler, 2014). Wellins et al. (2009) identified what according to them are the nine practices that lead to effective and thus better TM:

1.	*Start with the end in mind – talent strategy must be tightly aligned with business strategy*
2.	*TM professionals need to move from a seat at the table to setting the table*
3.	*Need to know what you're looking for – formulate success profiles*
4.	*Talent pipeline is only as strong as its weakest link*
5.	*TM is not a democracy – focus on the high potential leaders and those who create value*
6.	*Potential, performance and readiness are not the same thing*
7.	*TM is about putting the right people in the right jobs*
8.	*TM is about the hows more than the whats*
9.	*Software is not the same thing as TM*

Source: Nine best practices for effective talent management, Wellins, Smith & Erker (2009)

One of the difficulties is that optimal human resource practices do not stay the same, but they can, and already have, changed over time (Bloom & Van Reenen, 2011). Some practices have always been the best but others may have become optimal because of a change in the

economical environment. In Bloom & Van Reenen (2011), the authors explain the differences in management practices by viewing it as technology. Managerial technology, just like all technologies, will have an adaption curve. Not all organizations will adapt to the best strategies at the same time. Also, it might be very hard to adapt to new strategies because many practices no not rely on classic contracts but on relational contracts, which are based on the relationship and trust between an employee and a company. These contracts are hard to build and/or change (Gibbons & Henderson, 2013).

2.2 Productivity differences

Not only are there differences in the management practices of firms and countries, there are also differences in productivity levels (Bartelsman & Doms, 2000). This may seem irrational as according to standard economic theory, inefficient firms should not be able to survive in the market. However, even after controlling for all possible factors, Chew, Clark & Bresnahan (1990) show that there are differences in productivity, and they are persistent. It has been shown that if a firm has a high productivity today, it is most likely to have a high productivity in the future and vice versa for low productivity (Bartelsman & Doms, 2000; Syverson, 2010). It is important to look at these productivity differences because an increased productivity means that there is a larger total pie of outputs that can be shared among all possible stakeholders (Gibbons & Henderson, 2013). According to Bartelsman & Doms (2000), in their review of productivity movement research, a large part of differences in productivity is caused by the way in which resources are allocated. Different ways in which productivity can be increased includes investment in hard technology, skills and management practices (Gibbons & Henderson, 2013; Syverson, 2010). These factors are in their turn influenced by competition, globalization, regulation and governmental policies, legal structures and culture (Bloom & Van Reenen, 2012).

Better management practices are often associated with a higher productivity (Bloom & Van Reenen, 2007; Bloom & Van Reenen, 2010; Gibbons & Henderson, 2013). In their study of the World Management Survey, Bloom & Van Reenen (2011) found that there is a correlation between a higher score on the management variable and the productivity of a firm. However, it is not expected that each single management practice would make a difference as each firm should have their own optimal strategy. But since it is shown that certain management practices have a positive influence on productivity, why do not all organizations adapt these

particular practices into their own strategy? This would be a very straightforward course of action. According to Bloom & Van Reenen (2007; 2011), this is because of the costs of implementing new practices, the effort that it will take and the heterogeneity between organizations. There are certain differences between firms and countries that are rooted very deeply. These can be the result of imperfectly competitive markets, where firms can have different efficiency levels and still survive in equilibrium (Bloom & Van Reenen, 2011; Syverson, 2010), but also because of differences in ownership, regulations and informational barriers. There might also be a resistance either among workers or managers to switch to a new system. This resistance can increase switching costs, making it less profitable to adapt to a different practice (Ichniowksi, Shaw & Prennushi, 1995). The resistance can be based on a number of things. Many of these issues can be traced back to differences in culture and values. Additionally, if a firm wants to introduce new management practices, they have to be careful to take the synergies of these practices into account. Ichniowski et al. (1995) in their study of productivity improvement in steel production plants, showed that new practices only work when they are introduced as a bundle, and not individually. These synergies between practices are important and crucial for the success of TM practices (Black & Lynch, 2001)

2.3 Differences in values

The behavior of people, and thus the decisions of managers and the reaction of employees, is influenced by their culture (Inglehart & Welzel, 2004). Culture can be described as "the customary beliefs, values, and social constraints that ethnic, religious and social groups transit fairly unchanged from generation to generation" (Sapienza, Zingales & Guiso, 2006). Economists have many different opinions about the influence of culture on the economic environment, the level of its influence and how this influence works; however, predominantly it is believed that there is a clear effect which is persistent (Sapienza et al., 2006). Or, as Londes (1998) puts it: "if we learn anything from the history of economic development, it is that culture makes all the difference".

Culture can influence the economy by forming the priors that are used in transactions – when dealing with someone for the first time you have nothing else but priors to depend on when deciding whether you can trust someone and how you should behave during the interaction (Sapienza et al., 2006). Priors are formed based on preferences and constraints, which are

highly influenced by culture through socialization and introducing what is right and what will be punished (Sapienza et al., 2006).

One of the determinants of behavior and culture is values. But what are values? Values are what people think is important and the relative weight they appoint to these things[3]. There are two main waves of economic development in the world that influence changes in (world) values (Inglehart, 2006). These two waves are the transition from agrarian societies to industrial societies and from industrial societies to post-industrial or knowledge societies. Developing countries such as India, Brazil and China are currently experiencing the first kind of development while economic advanced societies[4] are already in the post-industrial stage (Inglehart, 2006).

From Ingleharts article (2006) it can be learned that during the development from an agrarian to an industrial society, values change from being traditional to secular-rational. Traditional values are predominately based on religion, authority, the ties between parent and child, moral standards and patriotism and nationalism. Traditional values have a negative attitude towards the concept of divorce, abortion, euthanasia and suicide. Secular-rational values entail all of the opposites from the traditional values. With the change from traditional values to secular-rational values, there is an increase in secularization of the authorities, bureaucratization, standardization and centralization.

During the second development, from an industrial society to a post-industrial/knowledge society, the values change from survival to self-expression values. The first are focused on economic and physical survival, this includes very traditional gender roles and high importance on work ethics. Survival values further entail intolerance towards minority groups such as foreigners and homosexuals (Inglehart, 2006). Self-expression values on the other hand are more focused on subjective wellbeing and the quality of life. Children are taught that interpersonal trust, imagination and tolerance are of high importance. When people do not have to worry about their basic needs, there is room for development and self-expression (Inglehart, 2006). This stimulates democracy and increases emancipation.

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[3] Based on the definition in the Merriam-Webster dictionary
[4] Such as countries in Western Europe and the United States

However, values are only partly influenced by the changes in economic environment, as part of the values is more constant. The value system of countries relies also on the predominant religious tradition, colonial history of a country and other major historical factors (Inglehart, 2006). It is for this reason that countries have shown robustness in their level of values over the different waves of the European and World Value Surveys.

The European and World Value Surveys are developed to research beliefs and values in different countries all over the world. These surveys will also be used in this research[5]. Based on the results of these surveys Inglehart & Welzel (2004) have developed a Global Cultural Map. This graph plots 80 different countries based on their scores for traditional/secular-rational and survival/self expression values. Graph 1 shows the map based on the results of the surveys in 2000. There are two ways to explain why certain countries score the way they do on this map, part of the explanation is economic and part is based on historical background. First of all, the level of GNP gives an indication about where countries are in their economic transition. As a result, the countries that have a high GNP can be found in the upper right corner; they score high on the self-expression values and on the secular-rational values. These are more post-industrial, knowledge societies. Countries with a lower GNP typically score more in the lower left corner, having more traditional and survival values (Inglehart, 2006). However the constant part, the part that is influenced by the historical background of a country, can explain why countries that have the same cultural background but different economic environments can be found 'grouped together'. A very clear example is that the group of countries that were influenced by communism typically score high for secular-rational and survival values (Inglehart, 2006). This has partly to do with their economic status but more so with the period in time that has left a definitive mark on their culture.

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[5] A more elaborate description of the surveys can be found in chapter 3 about data.
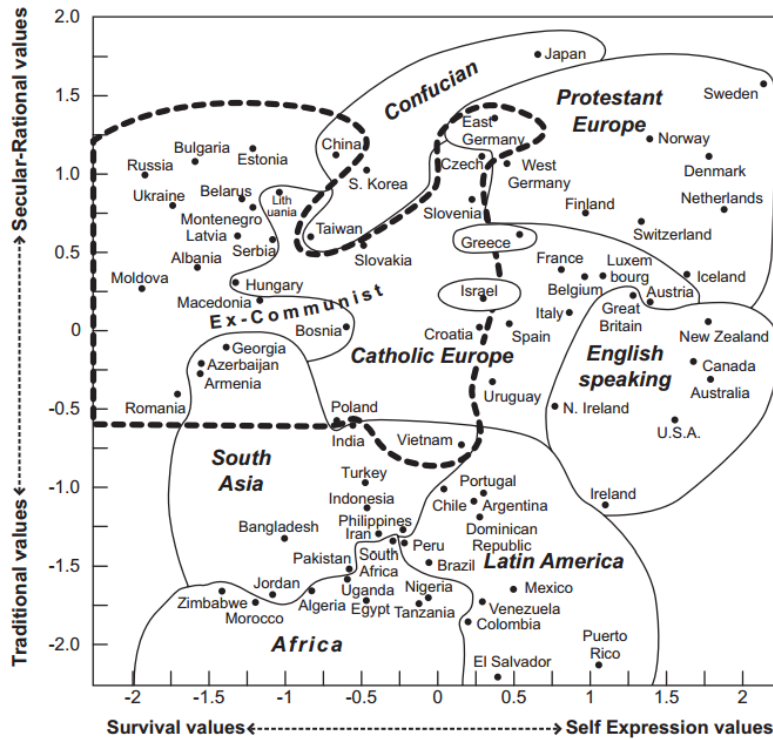
Graph 1: Global Cultural Map, Inglehart & Welzel (2004)

3.   Data and Empirical Strategy

This section of the paper will describe the extracted data and explain how the data was edited. Subsequently, the outline of the empirical strategy will be discussed, including the different sub-questions that are used to answer the research question.

3.1 Data

The data from this research was extracted from three surveys: the World Management Survey, the World Values Survey and the European Values Survey.

3.1.1. World Management Survey

The World Management Survey (WMS) is a tool that is designed to collect data on management practices at medium-sized firms in a number of countries across the world. The tool is developed by McKinsey & Company in coordination with Bloom & Van Reenen (2007). The survey attempts to put a measure on 'good management' in three areas: monitoring, targets and incentives. This research will focus on the last area, which includes how organizations reward and promote their best performers and how they handle

underperformers. The survey was conducted by MBA-students and targeted at senior managers that should have a good knowledge of the practices used within a company (Bloom & Van Reenen, 2010). In order to keep possible biases to a minimum, a 'double-blind technique' was used during the interviews. The interviewees were asked open-ended questions and they were unaware that their answers would be scored on a scale from 1 ('worst practice') to 5 ('best practice'). The interviewers in turn did not have any information on the organization that they were interviewing apart from some basics such as name, industry and phone number. They did not know whether the firm had a high productivity or not. The organizations participating in the survey were medium-sized, such that human resource practices are of importance but that the interviewer would not be familiar with the firm (Bloom & Van Reenen, 2010). An overview of all the questions of the WMS can be found in appendix 7.1[6].

Use has been made of the data collected between 2004-2010. The log of sales[7] is a very basic measurement of firm productivity (Bloom & Van Reenen, 2010), so this will be used as the productivity variable. TM is measured on six different dimensions:

Managing Human Capital	The quality of overall importance of TM within the organization
Rewarding High Performers	How the firm identifies high performance and how they reward it
Removing Poor Performers	How capable is the company in dealing with underperformance
Promoting High Performers	How does the company decide who is promoted
Attracting Human Captial	How strong is the employee value proposition
Retaining Human Capital	What does the company do to keep their top talent engaged

The companies included in the WMS are located in the following 18 countries: Argentina, Australia, Brazil, Canada, Chile, China, France, Germany, Great Britain, Greece, Italy, Japan, Northern Ireland, Poland, Portugal, Republic of Ireland, Sweden and the United States. This gives a reasonably overview of countries that are considered emerging and countries that are considered established economies.

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[6] A more elaborate description of the WMS can be found in Bloom & Van Reenen, 2007; or via www.worldmanagementsurvey.org
[7] In US dollars

3.1.2. European and World Values Surveys

The European and World Values Surveys are tools designed to give insight in basic human values, and compare these values across countries (Inglehart et al. 2000). They provide some understanding into how people think about important subjects such as family, friends, politics, work and religion. The European Values Survey (EVS) was first developed in 1981 but was soon extended to include more countries, resulting into the development of the World Value Survey (WVS). The surveys are currently distributed in almost 100 countries to include as much of the world population as possible. Over the years, each wave has been designed to reach a wider range of countries than the previous. The minimal sample of one society is 1000 respondents of 18 years and older. Large surveys such as the EVS and WVS that reach over several countries can give good insights into human behavior (Ingelhart & Welzel, 2004). However, they have to be designed carefully and conducted with even more caution. The questions of the surveys follow the previously mentioned traditional versus secular-rational values and survival versus self-expression values. Social scientists can send in new ideas for questions for the survey and questions that have not been proven useful in previous waves are omitted. The survey is developed in English, however in some countries a translation of the original template is used. The surveys are conducted during face-to-face or phone interviews[8].

For this research, the values from the same countries as used in the WMS were needed. Not all of these countries were represented in the WVS so the WVS had to be supplemented with the EVS. Use has been made of wave 5 (2005-2008) of the WVS and of the EVS use has been made of survey 2008; these two surveys were most compatible with each other and the WMS[9]. The values that are used from the EVS and WVS concern the importance of family, friends, leisure time, politics, work and religion. Respondents to the questionnaire had to answer whether they would say that a certain institution was very important (1) or not at all important (4). The answers have been inverted such that a higher number indicates a higher importance. The respondents that have answered 'don't know', 'no answer' or 'not applicable' have been dropped from the sample used. The values were collapsed based on country so each of the 18 countries used in this research has one mean for each value[10].

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[8] A more elaborate explanation of the EVS and MVS can be found in Inglehart et al, 2000; or via www.europeanvaluesstudy.eu and www.worldvaluessurvey.org
[9] From the WVS: Brazil (survey in 2006), Canada (2005), China (2007), France (2006), Germany (2006), Italy (2005), Poland (2005), Sweden (2006), United Kingdom (2005) and United States (2006). From the EVS (2008): Greece, Ireland and Portugal
[10] An overview of the mean of each value for each country can be found in appendix 7.2.

The WMS and WVS/EVS were combined such that each company showed the mean of each value corresponding to its country. This has led to a total of 6.339 observations.

3.2 Empirical Strategy

The main question of this research is that if the level of productivity and quality of management practices differ across countries, to what extend can values explain these differences? The answer to this main question is researched by looking at the following six sub questions about the dataset:

1. Are there differences in productivity among countries in the dataset?
2. Are there differences in Talent Management practices among countries in the dataset?
3. Can the differences in Talent Management explain the differences in productivity between countries?
4. Are there differences in values among countries in the dataset?
5. Can the differences in values explain the differences in Talent Management practices?
6. Can the difference in values explain the difference in productivity?

The first question will be answered using the average productivity (described by the mean log of sales) of the countries in the sample. The differences in talent management among countries will be evaluated by looking at each of the six talent practices and at the average management variable constructed by the WMS.

To find the effect of management and TM on the productivity of a company, this research uses the following regression where Sales is the log of sales, f are the individual firms, c are the different countries, Management is the average management score and X are the additional factors influencing sales.

$$Sales_{fc} = \alpha_c + \beta Management_{fc} + \alpha_x X_{fc} + \varepsilon_{fc}$$

Variable X includes the following factors: the industry the firm is in, the log value of tangible fixed assets, the log of total percentage of employees with a degree, the log of employees and the reliability of the interview conducted (including who the interviewer was etc.). After this regression, the effect of each of the TM practices on the sales of the company will be calculated including the controlling variables in X. The standard errors are clustered on country and a dummy for country is included.

The differences in values among countries will focus on the importance of family, friends, leisure time, politics, work and religion. The means of these values will be compared in order to see if there are differences among countries. In determining whether differences in values can explain the differences in talent management, use will be made of the following regression:

$$TM_{fc} = \alpha_0 + a_1 Value_c + \varepsilon_{it}$$

The effect of the differences in values on the differences in productivity will be evaluated with the following regression, where Sales is the log of sales, Value are the importance of family, friends, leisure time, politics, work and religion within a country and X are additional factors influencing the sales.

$$Sales_{fc} = \alpha_0 + a_1 Value_c + \alpha_x X_{fc} + \varepsilon_{it}$$

4.   Results

If there are no productivity differences between the countries in the dataset, there would be no reason to look at what causes these differences. Based on previous papers that used similar datasets, differences between countries are indeed expected to be present. The productivity of the countries is compared by looking at the log of sales in US dollars, a basic measurement of productivity. As can be clearly seen in graph 1, there are indeed differences in productivity among countries.
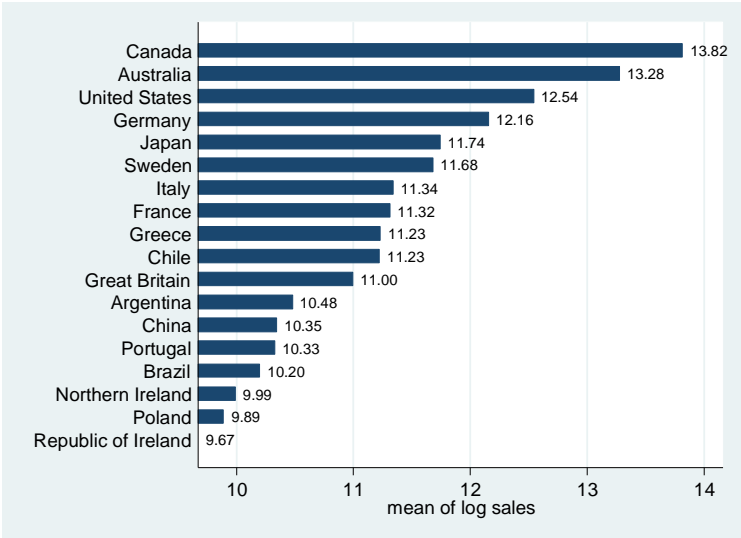

Graph 2: Productivity per country

The next question is whether there are also differences in the overall quality of management and the six TM practices. Graphs 2 to 8 show the means of these practices per country. On the overall quality of management variable, Japan and the United States (US) score the highest. When comparing the overall score on management with the mean of log sales, most countries that score higher on management indeed have a higher productivity level. This however does not mean yet that there is a causal relationship between the two, especially because not all countries that score high on management have higher sales. On the TM practices, different countries score high on different practices. When looking at the overall importance of managing human capital within a company for example, Japan scores by far the highest. This indicates that the interviewers thought that the practices used in Japan were very good. It is interesting to note that Canada, even though having the highest productivity, receives one of the lowest scores on this practice. There is a lot of fluctuation in which country scores the highest on a practice, so it is not possible to clearly see who performs the best. It is however clear to see that there are indeed differences between the management practices of countries. Because not all the countries that score high on sales score high on management practices, it can be expected that the different management practices also have a different effect on productivity, if they indeed have an effect.
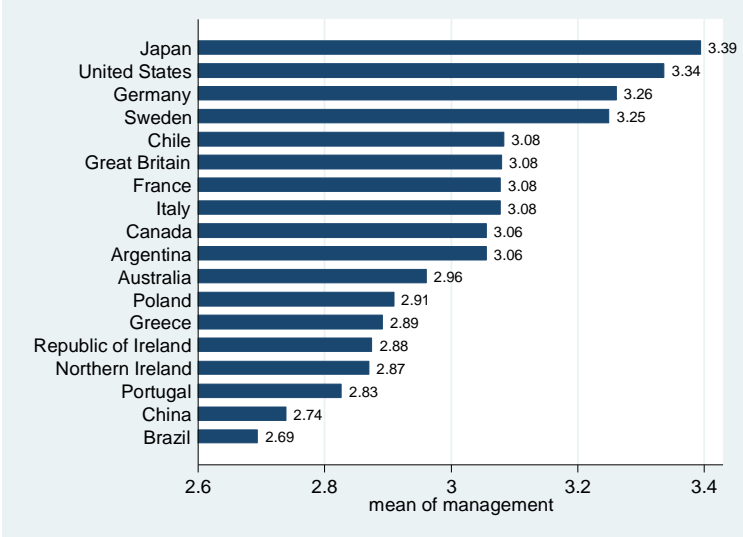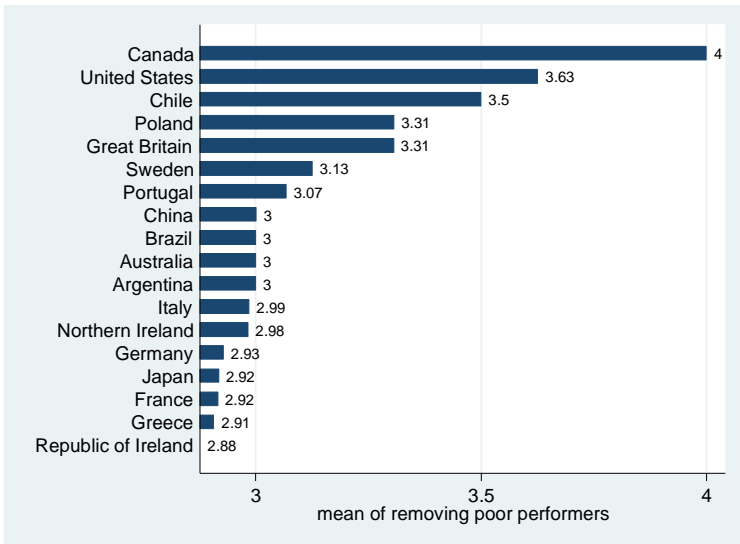

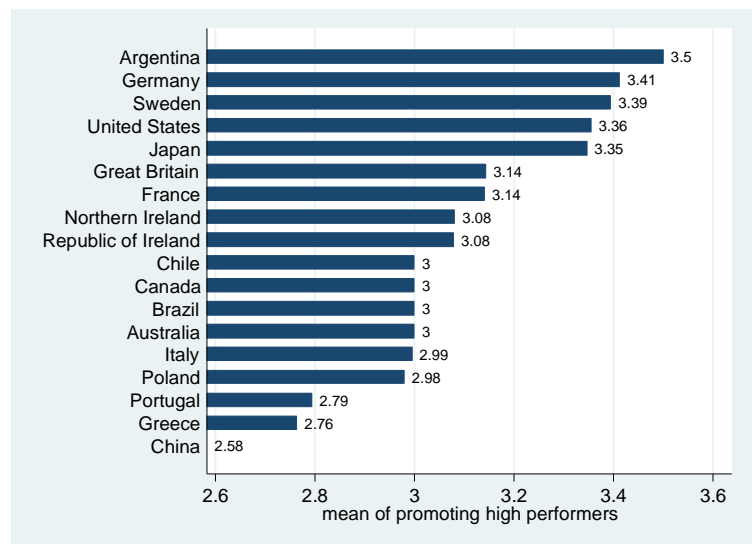Graph 3: Quality of overall management per country
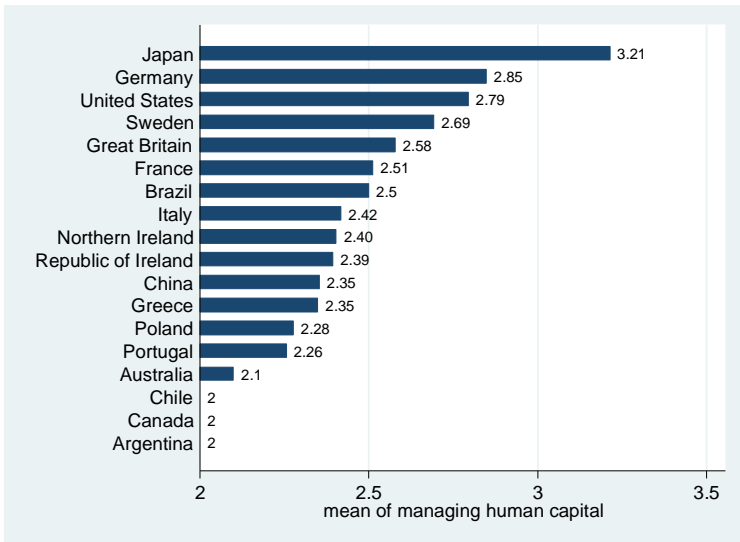
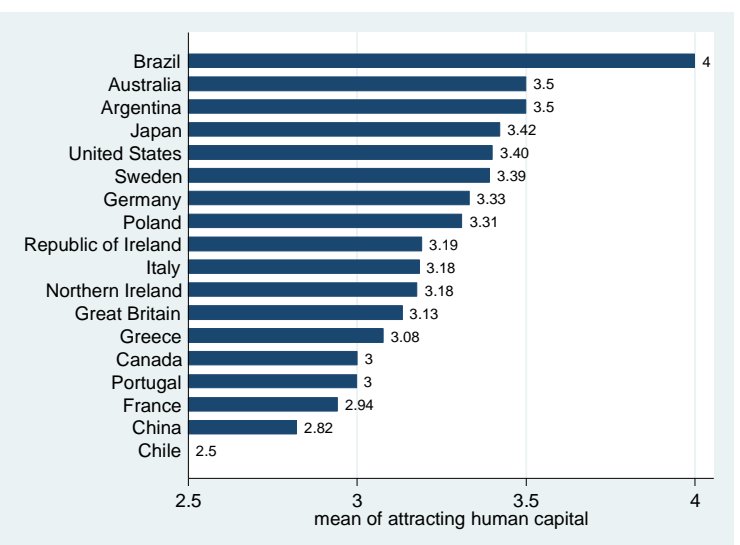Graph 4: Mean of managing human capital
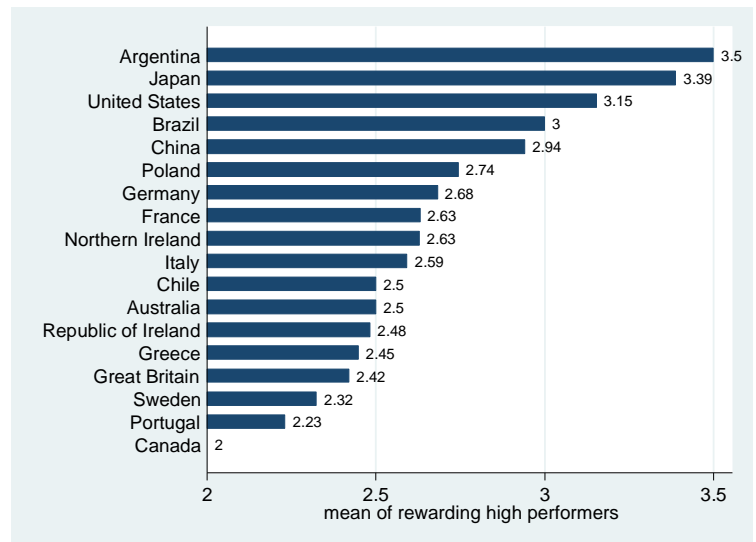
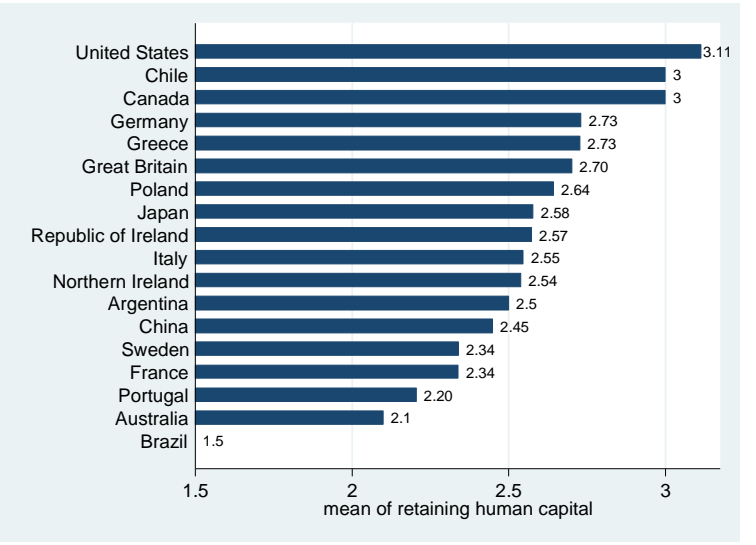Graph 5: Mean of rewarding high performers

Graph 6: Mean of removing poor performers

Graph 7: Mean of promoting high performers

Graph 8: Mean of attracting human capital

Graph 9: Mean of retaining human capital

When looking at the effect of management practices on the productivity of a country, this research will first determine which other factors have an influence on sales. Table 1 adds different variables to the effect of the average management on the log of sales. These variables are the type of industry the company is in, the log of total percentage of employees with a degree, the log of employees, the log value of tangible fixed assets and a reliability factor. Next to these variables, the fixed effect on different countries is included[11]. The result shows that even adding these other influencing factors, the average management score has a positive and significant influence on the log of sales. If the quality of management increases by one unit, the log of sales increases by 0.27. Increasing the score for overall management however is expected to be rather difficult since the interviewers took all management practices in the company into account for this evaluation. In order to change the overall score would mean that the company would have to change the larger part of all the different practices.

VARIABLES	(1) Log Sales	(2) Log Sales	(3) Log Sales	(4) Log Sales	(5) Log Sales	(6) Log Sales
Management	0.75***	0.76***	0.35***	0.34***	0.27***	0.27***
	(11.25)	(11.75)	(8.44)	(8.24)	(8.69)	(8.21)
Industry		-0.00**	0.00**	0.00**	0.00	0.00
		(-2.23)	(2.70)	(2.66)	(1.00)	(0.99)
Tangible fixed assets			0.64***	0.63***	0.36***	0.36***
			(29.09)	(29.18)	(7.54)	(7.54)
% employees w. degree				0.03*	0.05***	0.05***
				(1.95)	(3.86)	(4.01)
Log employees					0.60***	0.60***
					(10.89)	(10.91)
Reliability						-0.00
						(-0.48)
Constant	8.20***	8.49***	3.52***	3.52***	2.96***	2.99***
	(40.40)	(29.13)	(17.86)	(18.22)	(12.79)	(13.27)
Observations	6,339	6,339	6,339	6,339	6,339	6,339
R-squared	0.308	0.312	0.681	0.681	0.752	0.752
R2_adj	0.306	0.310	0.680	0.680	0.751	0.751

Robust t-statistics in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Table 1: Effect of quality of overall management on productivity

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[11] To increase readability of the table, the dummy results are not shown in table 1.

VARIABLES	(1) Log sales	(2) Log sales	(3) Log sales	(4) Log sales	(5) Log sales	(6) Log sales
Manage human capital	0.11***	0.07***	0.07***	0.06**	0.04*	0.04*
	(6.49)	(3.4)	(3.33)	(2.46)	(1.98)	(1.97)
Reward high performers		0.08***	0.08***	0.06**	0.05**	0.05*
		(3.32)	(3.01)	(2.62)	(2.12)	(2.10)
Remove poor performers			0.01	0.00	-0.00	-0.00
			(1.06)	(0.28)	(-0.22)	(-0.21)
Promote high performers				0.05**	0.03	0.03
				(2.55)	(1.50)	(1.52)
Attract human capital					0.08***	0.08***
					(4.09)	(3.96)
Retain human capital						0.00
						(0.06)
Industry	0.00	0.00	0.00	0.00	0.00	0.00
	(1.53)	(1.17)	(1.17)	(1.08)	(0.99)	(0.99)
Tangible fixed assets	0.37***	0.36***	0.36***	0.36***	0.36***	0.36***
	(7.42)	(7.43)	(7.42)	(7.42)	(7.40)	(7.34)
% employees w. degree		0.05***	0.05***	0.05***	0.05***	0.05***
		(4.45)	(4.50)	(4.56)	(4.45)	(4.46)
Log employees	0.60***	0.60***	0.61***	0.61***	0.61***	0.61***
	(10.69)	(10.71)	(10.70)	(10.78)	(10.72)	(10.67)
Reliability	0.026***	0.02*	0.01*	0.01	0.01	0.01
	(2.98)	(2.04)	(2.02)	(1.63)	(1.06)	(1.09)
Constant	3.21***	3.11***	3.09***	3.05***	2.99***	2.99***
	(14.71)	(13.38)	(13.69)	(13.26)	(13.11)	(12.84)
Observations	6,339	6,339	6,339	6,339	6,339	6,339
R-squared	0.744	0.748	0.748	0.748	0.749	0.749
R2_adj	0.743	0.747	0.747	0.747	0.748	0.748

Robust t-statistics in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Table 2: Effect of TM practices on productivity

After looking at the overall average management, this research looks at the effect of the different TM practices. These results are presented in table 2. The importance of managing human capital has a positive, albeit rather small, influence on the log of sales. If the score on this practice goes up by one unit, the log sales will increase with 0.04. The direction of this change can also be seen when comparing graph 1 and 3, in which countries with a higher score on this TM practice appear to have a higher productivity. Increasing the importance of human capital is probably the first thing to change since deciding to change one of the talent

management practices will likely be the result of the decision to start focusing on human capital. The approach of identifying the high performers and rewarding them accordingly also has a small significant positive effect on the log of sales. Improving this practice with one unit will lead to an increase of 0.05 in log of sales.

The way of removing poor performers has a very small negative influence on the log of sales. Increasing this practice by one unit leads to an insignificant decrease of 0.003. The strength of the base on which high performers are promoted has a positive influence on sales, which is significant until the TM practices of attracting and retaining human capital are added. The strength of the employee value proposition has a positive effect on the sales of a company. Increasing the quality of this practice by one unit will lead to an increase of 0.08 in the log of sales. The way companies retain their talent has no significant effect on the productivity of a company. The different TM practices thus have very different effects on the eventual sales of the company. Increasing only one of these practices does not always increase the productivity of the company. The ways of attracting human capital and of rewarding high performers appear to have the largest effect.

The differences in TM practices between countries could indicate that the country the company is in influences the management practices that are used, or at least the quality of the practices. Certain management practices might work better in one country than in another. Graphs 10 to 15 show that there are differences between countries when looking at importance attributed to the institutions of family, friends, leisure time, politics, work and religion. There is no clear trend between the countries that score high on the value of family and those who do not. When looking at the score of the value of friendship however, developed Western countries tend to score higher than Southern European or Southern American countries. This is in line with the movement from traditional values to an environment with secular values. Overall almost all countries have a high score on the importance of leisure time, besides China and Great Britain. There is no clear trend in any of the other values, the results are rather scattered. However, it is clear to see that there are indeed differences between countries.
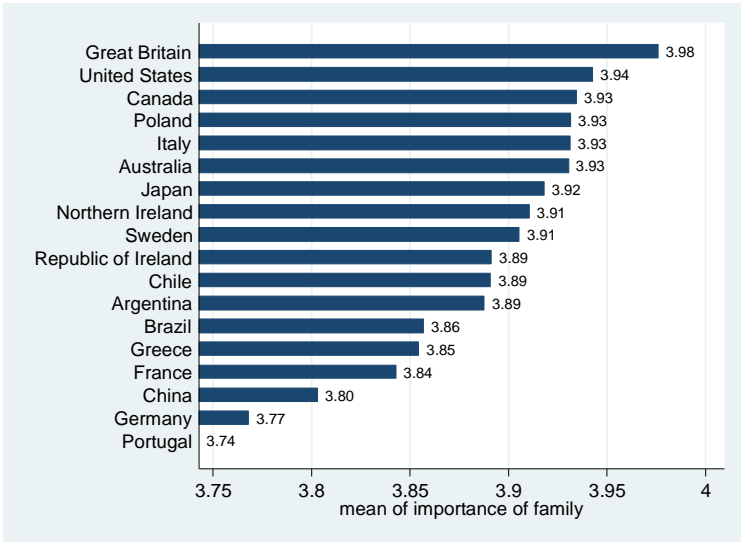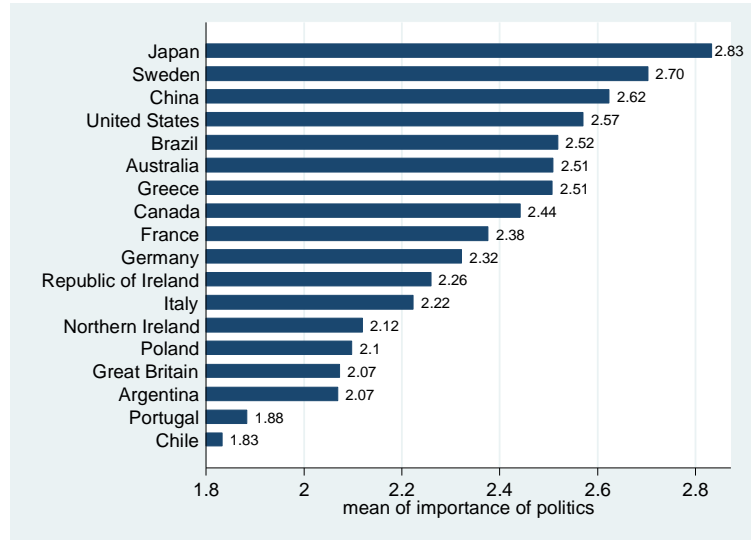
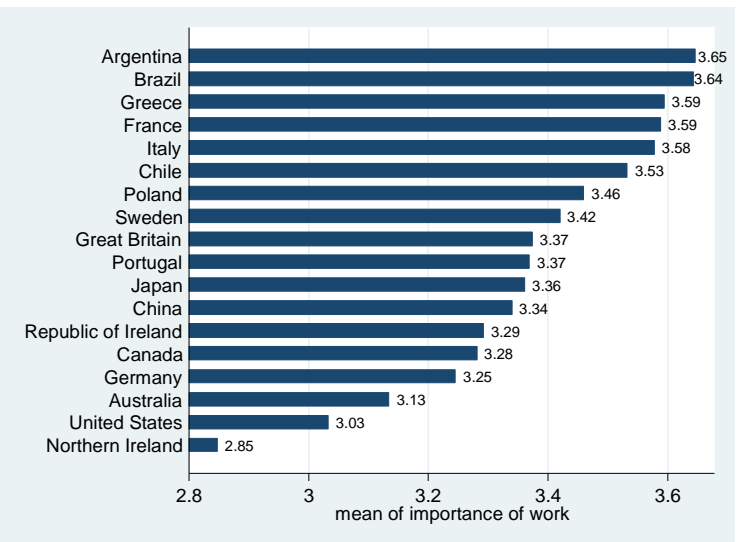Graph 10: Mean importance of family
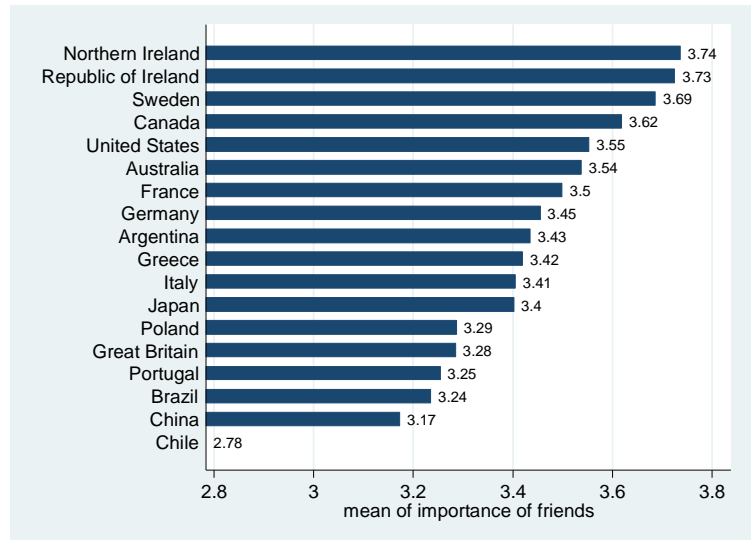
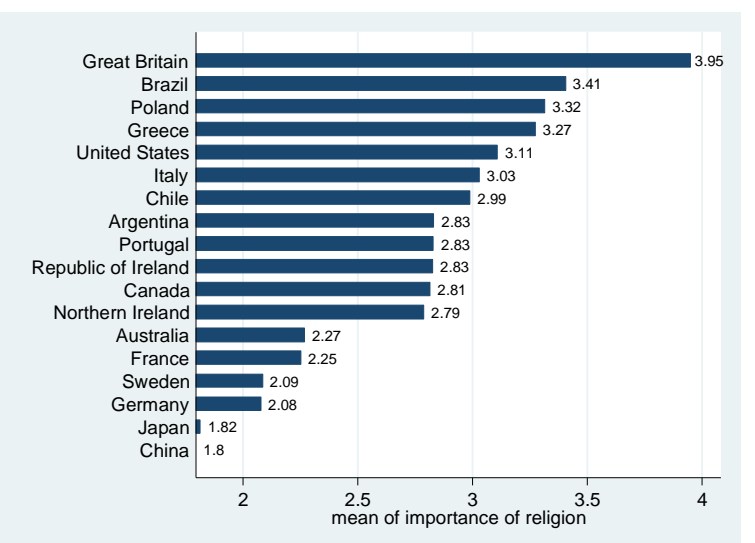Graph 11: Mean importance of friends
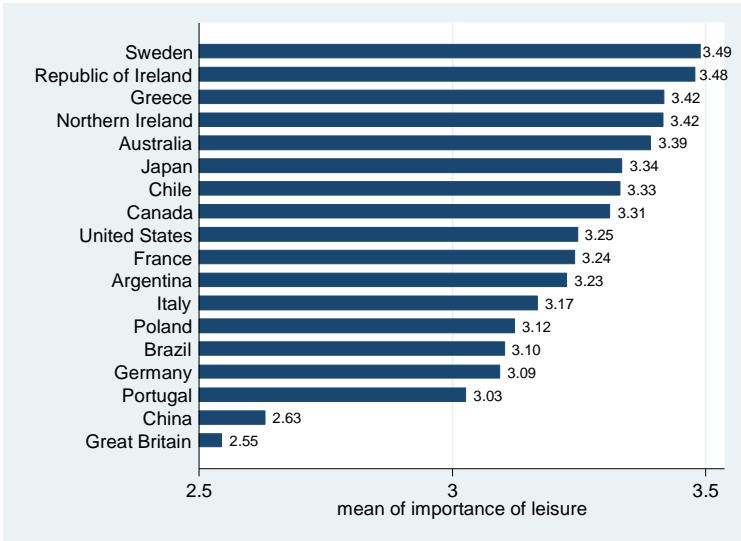
Graph 12: Mean importance of leisure

Graph 13: Mean importance of politics

Graph 14: Mean importance of work

Graph 15: Mean importance of religion

Tables 3 and 4 show the influence of the importance of family, friends, leisure time, politics, work and religion on the score of average management and the TM practices. Table 3 shows that when family is valued as more important, this has a large positive effect on the average quality of management. A higher importance of friends has a similar result. If leisure time has a higher value however, this has a negative influence on the average management. This might be caused by the tendency of putting less extra effort in the company to keep more time open for leisure. Politics has a positive influence on overall management but the importance of work has a negative influence. Perhaps if the work ethic is high, there is less need to have proper management practices in place or the focus might be more on the actual production instead of management.

VARIABLES	(1) Management	(2) Management	(3) Management	(4) Management	(5) Management	(6) Management
Family	0.94***	0.83***	0.70***	0.71***	0.74***	0.84***
	(9.54)	(8.53)	(6.10)	(6.21)	(6.42)	(4.02)
Friends		0.64***	0.80***	0.75***	0.68***	0.66***
		(13.37)	(8.92)	(8.21)	(6.92)	(6.59)
Leisure			-0.09**	-0.12***	-0.08*	-0.08*
			(-2.12)	(-2.65)	(-1.75)	(-1.68)
Politics				0.12***	0.12***	0.09*
				(3.68)	(3.60)	(1.70)
Work					-0.10**	-0.11**
					(-2.01)	(-2.06)
Religion						-0.01
						(-0.54)
Constant	-0.60	-2.35***	-2.12***	-2.18***	-1.81***	-2.03***
	(-1.56)	(-5.88)	(-5.12)	(-5.28)	(-3.98)	(-3.30)
Observations	6,339	6,339	6,339	6,339	6,339	6,339
R-squared	0.014	0.041	0.042	0.044	0.045	0.045
R2_adj	0.0140	0.0409	0.0415	0.0433	0.0438	0.0437

t-statistics in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Table 3: effect of values on quality of overall management

VARIABLES	(1) Manage human capital	(2) Reward high performers	(3) Remove poor performers	(4) Promote high performers	(5) Attract human capital	(6) Retain human capital
Family	0.77**	2.50***	0.99***	1.37***	1.56***	-0.27
	(2.42)	(7.89)	(3.21)	(4.65)	(5.47)	(-0.87)
Friends	0.56***	-1.84***	-0.35**	1.35***	-0.21	-0.32**
	(3.68)	(-12.05)	(-2.36)	(9.44)	(-1.50)	(-2.10)
Leisure	-0.21***	0.56***	0.11	-0.21***	0.41***	0.14*
	(-2.95)	(7.96)	(1.59)	(-3.20)	(6.48)	(1.92)
Politics	0.28***	0.35***	0.11	-0.22***	-0.07	0.65***
	(3.32)	(4.23)	(1.37)	(-2.81)	(-0.89)	(7.94)
Work	-0.29***	-0.92***	-0.64***	-0.13*	-0.49***	-0.69***
	(-3.67)	(-11.75)	(-8.37)	(-1.77)	(-6.92)	(-8.80)
Religion	-0.04	-0.23***	0.12***	-0.09**	-0.02	0.33***
	(-1.12)	(-5.74)	(3.19)	(-2.51)	(-0.52)	(8.22)
Constant	-1.27	0.42	1.69*	-4.98***	-1.60*	4.18***
	(-1.35)	(0.45)	(1.86)	(-5.71)	(-1.90)	(4.51)
Observations	6,339	6,339	6,339	6,339	6,339	6,339
R-squared	0.025	0.063	0.037	0.050	0.031	0.045
R2_adj	0.0241	0.0626	0.0364	0.0488	0.0304	0.0438

t-statistics in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Table 4: effect of values on quality of talent management practices

Table 4 shows overall similar effects of the different values on the importance of practices directed at human capital within a company. Again a higher importance of leisure time and work has a negative effect on this TM practice. The quality of this TM practice probably has a large influence on the overall score of management. The more time is spend on developing TM practices, the better these practices will develop.

The way of identifying high performers and rewarding them accordingly responds different to the values. Again the importance of family has a positive effect, however the importance of friends has turned into a negative influence. This might be caused by the fact that rewarding some workers over others has a negative influence on the relationships at work, which for some employees comes close to a friendship (Berman, West & Richter Jr., 2002). The importance of leisure time has a positive influence on this TM practice, which might be explained by the fact that people who value their leisure time more are more organized and work more efficient to be able to make the most out of their free time. They might also be

more structured in indicating who performs well. The negative influence of the importance of work could again indicate that if the importance of work is high, there is less need to stimulate the workers to do their work well by rewarding high performers. The influence of the importance of religion on the different TM practices is rather hard to explain. It might be the case that if religion is more important, people are indeed more religious and attribute success less to individual effort and more to a higher purpose.

The next column shows the effect of the values on the way companies deal with employees with lower performances. Family again has a positive influence, which in this case might be rather odd since it would be expected that if family is highly valued, it would be harder to remove poor performers, especially if they are the breadwinners of a family. As would be expected, the value of friends has a negative influence on this TM practice. When the importance of friends is high, people would feel worse to fire a 'work-friend' than when having friends is less important. The importance of leisure time and politics have a small insignificant effect. The importance of work has a negative influence on removing poor performers; when a country on average thinks it is important to work, it is harder to fire people.

Whether promotion is performance based is also influenced by differences in values. The importance of family and friends has a rather large and positive influence on the practice of promoting the high performers. Again if leisure time is valued as very important, this has a negative influence on the TM practice. In this case this could be explained by the fact that if free time is very important, employees might think that they earn a promotion based on the amount of time they have worked at a company instead of based on their performance. The importance of politics, work and religion have small negative influences on promoting high performers.

The fifth column shows that the importance of the institutions also has an effect on the strength of the value proposition for new employees. This influences how a company attracts new talent to the organization. The importance of family again has a positive effect on the TM practice. If family is important, people might want to spend more time with them instead of spending that time at work, changing the way organizations have to try and find high performers. If employees value their free time a lot, the firm would have to make a larger

effort to attract them to their company; so a higher importance of leisure time leads to better value propositions. If employees however value work more, there is less need to convince them to start working.

The influence of the different values on the practices of firms to keep their talent are shown in the last column. Family has a small insignificant negative effect. The effect of the importance of friends is negative and significant, this might be explained by the fact that employees who want to spend a lot of time with their friends do not want their employer putting too much pressure on them. What is interesting is that politics have a significant positive effect, however it is hard to explain this result. The importance of work has a negative effect, if employees value their work a lot the company has to put less effort into keeping them.

The differences in values do have an influence on the quality of the TM practices. However, the way they influence them differ per practice and per value. Plus, when looking at the R-squared of the results, they can only explain a very small portion of it. Out of the six TM practices, the rewarding of high performers is influenced the most by the values. The importance of family has a positive influence on all TM practices, except the way organizations retain their human capital. If work is more important, firms focus and perform less on the TM practices. Organizations might see less of an added value of investing in management practices if their employees already want to work hard because of their values.

The last question remaining is whether the importance of family, friends, leisure time, politics, work and religion have a direct influence on the productivity of a company. The importance of friends shows to have a large positive effect on the productivity of a firm, see table 5. This might be caused by the fact that people who have positive relations at work, are more productive and more motivated to reach their goals, which is good for the productivity of the firm (Berman et al., 2002). Sales are negatively influenced by the value of leisure time. This could be explained by the fact that if workers value their time off work more than their time at work, they tend to work less hard. The importance of work shows the opposite effect; if they value their work, a lot of employees work harder. The largest effect on sales comes from the importance of friends and the importance of work. The 5 countries with the highest score on the value of friends are Northern Ireland, the Republic of Ireland, Sweden, Canada and the US. Canada, the US and Sweden are also in the top 5 countries with the highest log of

sales. However, work is valued the most in Argentina, Brazil, Greece, France and Italy; none of which are in the top 5 based on sales. The conclusion is that even though the values have an influence on the productivity of a country, it is assumed that there are many more factors that are not in this equation that also influence it.

VARIABLES	(1) Log sales	(2) Log sales	(3) Log sales	(4) Log sales	(5) Log sales	(6) Log sales
Family	1.06***	0.91***	0.29*	0.30*	0.04	-1.32***
	(7.27)	(6.42)	(1.73)	(1.77)	(0.22)	(-4.48)
Friends		1.44***	2.19***	2.26***	3.11***	3.31***
		(20.22)	(16.49)	(16.80)	(22.19)	(22.93)
Leisure			-0.43***	-0.40***	-0.74***	-0.79***
			(-6.71)	(-5.99)	(-11.16)	(-11.79)
Politics				-0.16***	-0.20***	0.14*
				(-3.20)	(-4.21)	(1.81)
Work					1.31***	1.34***
					(17.49)	(17.91)
Religion						0.21***
						(5.55)
Industry	0.00***	0.00***	0.00***	0.00***	0.00***	0.00***
	(6.19)	(4.87)	(4.39)	(4.44)	(5.81)	(5.78)
Tangible fixed assets	0.47***	0.42***	0.43***	0.42***	0.42***	0.42***
	(47.62)	(43.41)	(44.00)	(43.27)	(44.19)	(43.49)
% employee degree	0.01	0.02***	0.03***	0.04***	0.03***	0.04***
	(1.05)	(2.61)	(4.03)	(4.31)	(4.09)	(4.45)
Log employees	0.52***	0.56***	0.54***	0.56***	0.60***	0.60***
	(35.96)	(39.49)	(38.50)	(37.75)	(41.04)	(41.21)
Reliability	0.09***	0.073***	0.08***	0.07***	0.05***	0.05***
	(11.26)	(9.20)	(9.55)	(9.13)	(6.83)	(6.97)
Constant	-1.45**	-5.37***	-4.24***	-4.28***	-9.53***	-6.24***
	(-2.57)	(-9.26)	(-7.05)	(-7.12)	(-14.45)	(-7.05)
Observations	6,339	6,339	6,339	6,339	6,339	6,339
R-squared	0.667	0.687	0.689	0.690	0.704	0.705
R2_adj	0.666	0.686	0.689	0.689	0.703	0.705

t-statistics in parentheses

*** $p<0.01$, ** $p<0.05$, * $p<0.1$

Table 5: Effect values on productivity

5.   Conclusion

So there are indeed differences between countries in terms of productivity, quality of management practices and the importance of the institutions of family, friends, leisure time, politics, work and religion. On average the quality of overall management practices has a positive influence on the productivity of a company and thus of a country. Productivity is also positively influenced when a company puts more emphasis on the development of TM practices. Developing a good employee value proposition also leads to higher productivity since a company will attract the right talent. The largest positive influence however is when high performers are better identified and promoted based on their accomplishments. Employees get the feeling that they're appreciated for the effort they put into the organization. Removing underperformers however has a negative influence on the productivity of a company. Based on these results, it is advisable to focus on TM practices and especially on attracting the right employees and keeping a close eye on them to be sure to promote them when they deserve it.

The importance of family, friends, leisure time, politics, work and religion influence the quality of TM practices. However, this influence is rather small and not decisive. The quality of identifying and promoting the best employees, which is also the trait that is very important for the productivity of a company, is especially influenced by the values. The importance of family and leisure time play a positive role in the quality of this TM practice. Family overall has a positive influence on all practices besides retaining human capital, while work has a negative influence on all. The latter is easily explained because when work is important, companies see less of a necessity in motivating their employees since the motivation is already there.

The effect of the values on productivity shows that there are a lot more factors to take into account to get a good view of what influences the sales. However, these results already show that the importance of friendship has a positive effect on the productivity of a company. The tradeoff between the importance of leisure time and work however indicates a large influence on whether people are more or less willing to work hard resulting in higher sales. These results show that a company should keep the values of the country in which the firm is located in mind when developing their strategy.

There are a number of limitations to this study. First of all, several factors were not included that have a huge influence on the productivity of a company, such as overall competition, the economic environment, labor regulation within a country and the status of a company. Additionally, there is the danger of reverse causality; do the values only influence the productivity of the companies within a country or does this also work the other way around. Or it could be the case that other pre-existing differences are influencing the productivity (Cappelli & Neumark, 2001). Another reverse causality effect is that if a company is more productive, they presumably have more money to invest in higher quality TM practices. Another limitation to this study is the small sample of countries with different amounts of companies per country. This highly influences the results, it could for instance affect the sometimes rather strange results on the quality of TM practices and the productivity of countries.

There are multiple opportunities for further research; to start, more control variables should be added to the models to get a better view of the productivity of companies and countries. Moreover, an increased sample of companies would have to be included in the research to establish a more realistic view of a country. Ideally, there should be a similar number of companies per country. Besides the countries that were evaluated in this research, more countries could be added to get a better overview of what happens around the world. Looking at different combinations of TM practices would further explore the effect of synergies between practices. Especially the effect of other practices on the importance of managing human capital would be interesting. This research looked at the effect of the importance of family, friends, leisure time, politics, work and religion. In a subsequent research one could include more elaborate descriptions of these values or more and other values. Especially the effect of how people value friendships and leisure time would be interesting to dive further into.

The current economy only increases the importance of deciphering what influences productivity and how companies can improve theirs. Proving that management in general and TM practices in particular have a large influence on productivity will add greatly to this research. Based on the predominant values within a country, companies will have a better

knowledge of which practices to focus on. The war for talent is not over yet, but this research will help arm companies battling for human capital.

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7. Appendix

7.1 Questions World Management Survey

Topic	Manufacturing	Healthcare	Education	Retail
		Operations Management		
Introducing Modern Techniques *Tests how well modern management techniques have been introduced*	a) Can you describe the production process for me? b) What kinds of lean (modern) manufacturing processes have you introduced? How long has this practice been in place? Can you give me specific examples? c) How do you manage inventory levels? What is done to balance the line? What is the takt time of your manufacturing processes?	a) Can you briefly describe the patient journey or flow for a typical episode? b) How closely located are wards, theatres, diagnostics centres and consumables? c) How often do you run into problems with the current layout and pathway management?		*Part I:* a) Can you briefly describe your day-to-day store operations process? Do you have a to-do list? Do your employees? b) How do you manage your inventory? What system do you use for ordering products? How is your backroom organized? d) If I were an employee and a customer asked me for an item from the backroom, how long would it take to retrieve it? *Part II:* a) Can you briefly describe your day-to-day scheduling process? b) How do you choose how many people will be scheduled for each hour the store is open? How do you define roles within the staff? c) If I were assigned to merchandising (stocking) that day, would I perhaps have to run to cash if the store got busier?
Rationale for Introducing Modern Techniques *Tests the motivation and impetus behind changes to operations and what change story was communicated*	a) Can you take me through the rationale to introduce these processes? b) What factors led to the adoption of these lean (modern) management practices?	a) Can you take me through the rationale for making operational improvements to the management of patient pathway? Can you describe a recent example? b) How often do you challenge/ streamline the patient pathway? c) What factors led to the adoption of these practices? d) Who typically drives these changes?		a) Can you take me through the rationale to introduce these changes?
Standardization *Tests how well procedures are standardised, aligned, applied and monitored systematically*		a) How standardised are the main clinical processes? b) How clear are clinical staff members about how the treatment of specific procedures should be carried out? c) What tools and resources does the clinical staff employ (e.g. checklists or patient bar-coding) to ensure that they have the correct patient and/ or conduct the appropriate procedure? d) How are managers able to monitor whether clinical staff are following established protocols?	a) How structured or standardized are the instructional planning processes across the school? b) What tools and resources are provided to teachers (e.g. standards-based lesson plans and textbooks) to ensure consistent level of quality in delivery across classrooms? c) What are the expectations for the use of these resources and techniques? d) How does the school leader monitor and ensure consistency in quality across classrooms?	
Good Use of Human Resources *Tests whether staff are deployed to do what they are best qualified for, but*		a) With respect to your staff, what happens when different hospital areas become busier than others? b) How do you know which tasks are best suited to different staff? c) What kind of procedures do you		

Topic	Manufacturing	Healthcare	Education	Retail
nevertheless help out elsewhere when needed		have in place to assist staff flow between areas; for example, is there one central person or centre which coordinates this process?		
Data Driven Planning and Student Transition *School specific: Tests if schools use assessment to verify learning outcomes at critical stages, make data easily available and adapt student strategies accordingly*			a) Is data used to inform planning and strategies? If so how is it used – especially in regards to student transitions through grades/ levels? b) What drove the move towards more data-driven planning/ tracking?	
Personalization of Instruction and Learning *School specific: Tests for flexibility in teaching methods and student involvement ensuring all individuals can master the learning objectives*			a) How much does the school attempt to identify individual student needs? How are these needs accommodated for within in the classroom? b) How do you as a school leader ensure that teachers are effective in personalizing instruction in each classroom across the school? c) What about students, how does the school ensure they are engaged in their own learning? How are parents incorporated in this process?	
Adopting Best Practices *Tests how well the organization incorporates best practices and the sharing of these resources across the organization*			a) How does the school encourage incorporating new teaching practices into classroom? b) How are these learning or new teaching practices shared across teachers? What about across grades or subject? How does sharing happen across schools (community, state-wide etc), if at all? c) How does the school ensure that teachers are utilizing these new practices in the classroom? How often does this happen?	
Performance Monitoring				
Process Documentation and Continuous Improvement *Tests processes for and attitudes to continuous improvement and whether learnings are captured/ documented*	a) How do problems typically get exposed and fixed? b) Talk me through the process for a recent problem. c) How can the staff suggest process improvements?	a) How do problems typically get exposed and fixed? b) Can you talk me through the process for a recent problem that you faced? c) When processes do change, what is the main driver of change? d) Who within the hospital typically gets involved in changing or improving? How do/ can different staff groups get involved in this process? Can you think of any examples?	a) When problems (e.g. within school/ teaching tactics/ etc.) do occur, how do they typically get exposed and fixed? b) Can you talk me through the process for a recent problem that you faced? c) Who within the school gets involved in changing or improving process? How do the different staff groups get involved in this? d) Do the staffs ever suggest process improvements?	a) How do problems typically get exposed? b) Talk me through the process for a recent problem. c) How can the staff suggest process improvements?

Topic	Manufacturing	Healthcare	Education	Retail
Performance Tracking *Tests whether performance is tracked using meaningful metrics and with appropriate regularity*	a) What kind of KPIs would you use for performance tracking? b) How frequently are these measured? Who gets to see this KPI data? c) If I were to walk through your factory could I tell how you were doing against your KPIs?	a) What kind of performance or quality indicators would you use for performance tracking? b) How frequently are these measured? Who gets to see these data? c) If I were to walk through your hospital wards and surgical rooms, could I tell how you were doing against your performance goals?	a) What kind of main indicators do you use to track school performance? What sources of information are used to inform this tracking? b) How frequently are these measured? Who gets to see this performance data? c) If I were to walk through your school, how could I tell how it was doing against these main indicators?	a) What kind of KPI's would you use for performance tracking? b) How frequently are these measured? Who gets to see this KPI data? c) If I were to walk around your store backroom and offices could I tell how you were doing against your KPI's?
Performance Review *Tests whether performance is reviewed with appropriate frequency and communicated to staff*	a) How do you review your KPIs? b) Tell me about a recent meeting. c) Who is involved in these meetings? Who gets to see the results of this review? d) What is the follow up plan?	a) How do you review your main performance indicators? b) Can you tell me about a recent review meeting? c) Who is involved in these meetings? Who gets to see the results of this review? d) What is a typical follow-up plan that results from these meetings?	a) How often do you review (School) performance –formally or informally-- with teachers and staff? b) Could you walk me through the steps you go through in a process review? Who is involved in these meetings? c) Who gets to see the results of this review? d) What sort of follow up plan would you leave these meetings with?	a) How do you review your KPI's? b) Tell me about a recent meeting. c) Who is involved in these meetings? Who gets to see the results of this review? d) What is the follow up plan
Performance Dialogue *Tests the quality of review conversations*	a) How are these meetings structured? Tell me about your most recent meeting. b) How would the agenda for the meeting be determined? c) What type of feedback occurs in these meetings? d) For a given problem, how would you identify the root cause?	a) How are these meetings structured? How is the agenda determined? b) During these meetings do you find that you generally have enough information for review? c) How useful do you find these meetings? What type of feedback occurs in these meetings? d) For a given problem, how do you generally identify the root cause?	a) How are these reviewing meetings structured? b) Do you generally feel that you do have enough data for a fact-based review? c) What type of feedback occurs during these meetings?	a) How are these meetings structured? Tell me about your most recent meeting. b) How would the agenda for the meeting be determined? c) What type of feedback occurs in these meetings? d) For a given problem, how would you identify the root cause?
Consequence Management *Tests whether differing levels of performance (not personal but plan/process based) lead to different consequences*	a) Let's say you've agreed to a follow up plan at one of your meetings, what would happen if the plan weren't enacted? b) How long is it between when a problem is identified to when it is solved? Can you give me a recent example? c) How do you deal with repeated failures in a specific business segment?	a) Let's say you've agreed to a follow up plan at one of your meetings, what would happen if the plan weren't enacted? b) How long is it between when a problem is identified to when it is solved? Can you give me a recent example? c) How do you deal with repeated failures in a specific sub-specialty or cost area?	a) Let's say you agreed to a follow up plan at one of your meetings, what would happen if the plan was not enacted? b) How long does it typically go between when a problem is identified to when it is solved? Can you give me a recent example? c) How do you deal with repeated failures in a specific department or area of process?	a) Let's say you've agreed to a follow up plan at one of your meetings, what would happen if the plan weren't enacted? b) How long is it between when a problem is identified to when it is solved? Can you give me a recent example? c) How do you deal with repeated failures in a specific business segment?
Target Setting				
Types and Balance of Targets *Tests whether targets cover a sufficiently broad set of metrics and whether financial and non-financial targets are balanced*	a) What types of targets are set for the company? What are the goals for your plant? b) Tell me about the non-financial goals?	a) What types of targets are set for the hospital? What are the goals for your specialty? b) Tell me about goals that are not set externally (e.g. by the government, regulators)?	a) What types of targets are set for the school to improve student outcomes? Which staff levels are held accountable to achieving these stated goals? b) How much are these targets determined by external factors? Can you tell me about goals that are not externally set for the school (e.g. by the government or regulators)?	a) What types of targets are set for the company? What are the goals for your store/region? b) Tell me about the non-financial goals?

Topic	Manufacturing	Healthcare	Education	Retail
Interconnection of Targets *Tests whether targets are tied the organization's objectives and how well they cascade down the organisation*	a) What is the motivation behind your goals? b) How are these goals cascaded down to the individual workers? c) How are your targets linked to company performance and their goals?	a) What is the motivation behind these goals? b) How are these goals cascaded down to the different staff groups or to individual staff members? c) How are your unit targets linked to overall hospital performance and its goals?	a) How are these goals cascaded down to the different staff groups or to individual staff members? b) How are your targets linked to system / corporation performance and its goals?	a) What is the motivation behind your goals? b) How are these goals cascaded down to the individual workers? c) How are your targets linked to company performance and their goals?
Time Horizon of Targets *Tests whether organization has a '3 horizons' approach to planning and targets*	a) What kind of time scale are you looking at with your targets? b) Which goals receive the most emphasis? c) Are long term and short term goals set independently? d) Could you meet all your short-run goals but miss your long-run goals?	a) What kind of time scale are you looking at with your targets? b) Which goals receive the most emphasis? c) Are the long term and short term goals set independently? d) Could you meet all your short-run goals but miss your long-run goals?	a) What kind of time scale are you looking at with your targets? b) Which goals receive the most emphasis? c) Are the long term and short term goals set independently? d) Could you meet all your short-run goals but miss your long-run goals?	a) What kind of time scale are you looking at with your targets? b) Which goals receive the most emphasis? c) Are long term and short term goals set independently? d) Could you meet all your short-run goals but miss your long-run goals?
Target Stretch *Tests whether targets are based on a solid rationale and are appropriately difficult to achieve*	a) How tough are your targets? Do you feel pushed by them? b) On average, how often would you say that you meet your targets? c) Do you feel that all groups receive the same degree of difficulty, in terms of targets? Do some groups get easy targets? d) What is the rationale behind the targets?	a) How tough are your targets? Do you feel pushed by them? b) On average, how often would you say that you meet your targets? How are your targets benchmarked? c) Do you feel all specialties; departments or staff groups receive the same degree of difficulty in terms on targets? Do some groups perhaps have easier targets?	a) How tough are your targets? Do you feel pushed by them? b) On average, how often would you say that you and your school meet its targets? How are your targets benchmarked? c) Do you feel that on targets all departments / areas receive the same degree of difficulty? Do some departments / areas get easier targets?	a) How tough are your targets? Do you feel pushed by them? b) On average, how often would you say that you meet your targets? c) Do you feel that all groups receive the same degree of difficulty. Do some groups get easy targets? d) What is the rationale behind the targets?
Clarity and Comparability of Goals *Tests how easily understandable performance measures are and whether performance is openly communicated to staff*	a) If I asked your staff directly about individual targets what would they tell me? b) Does anyone complain that the targets are too complex? c) How do people know about their own performance compared to other people's performance?	a) If I asked someone on your staff directly about individual targets, what would he or she tell me? b) Does anyone complain that the targets are too complex? c) How do people know how their own performance compares to other people's performance? Is this published or posted in any way?	a) If I asked one of your staff members directly about individual targets, what would they tell me? b) Does anyone complain that the targets are too complex? Could every person in this school tell me what they are responsible for and how that will be assessed? c) How do people know about their own performance compared to other people's performance?	a) If I asked your staff directly about individual targets, what would they tell me? b) Does anyone complain that the targets are too complex? c) How do people know about their own performance compared to other people's performance?
Leadership				
Leadership Vision *Tests whether leaders have an understanding of the broader set of challenges that their organization, system and key actors face and the right mindset to address them*			a) What is the school's vision for the next five years? Do teachers / staff know and understand the vision? b) Who does your school consider to be your key stakeholders? How is this vision communicated to the overall school community? c) Who is involved in setting this vision / strategies? When there is disagreement, how does the school leader build alignment?	

Topic	Manufacturing	Healthcare	Education	Retail
Clearly Defined Accountability for Leadership *Tests whether there is formal accountability among leaders for delivery of the organization's targets and objectives*		a) Can you tell me about the role that clinicians have in improving performance and achieving targets? b) How are individual clinicians responsible for delivery of targets? Does this apply to cost targets as well as quality targets? c) How do clinicians take on roles to deliver cost improvements? Are they selected for this role or do they volunteer? Can you think of examples?	a) Who is accountable for delivering on school targets? b) How are individual school leaders held responsible for delivery of targets? Does this apply to equity and cost targets as well as quality targets? c) What authority do you have to impact factors that would allow them to meet those targets (e.g. budgetary authority, hiring & firing)? Is this sufficient?	
Clearly Defined Leadership and Staff Roles *Tests how clearly the roles, responsibilities and required attributes of staff are defined with the organization*			a) How are the roles and responsibilities of the school leader defined? How are they linked to student outcomes/ performance? b) How are leadership responsibilities distributed across individuals and teams within the school? c) How are the roles and responsibilities of the teachers defined? How clearly are required teaching competences defined and communicated? d) How are these linked to student outcomes/ performance?	
		Talent Management		
Instilling a talent mindset/ Managing Talent *Tests what emphasis is out on overall talent management within the organization*	a) How do senior managers show that attracting and developing talent is a top priority? b) Do senior managers get any rewards for bringing in and keeping talented people in the company?	a) How do you ensure you have enough staff/ nurses of the right type in the hospital? b) How do senior managers show that attracting talented individuals and developing their skills is a top priority? c) Do senior staff members get any rewards for bringing in and keeping talented people in the hospital?	a) How do school leaders show that attracting talented individuals and developing their skills is a top priority? b) How do you ensure you have enough teachers of the right type in the school? c) Where do you seek out and source teachers? d) What hiring criteria do you use?	a) How do senior managers show that attracting and developing talent is a top priority? b) Do senior managers get any rewards for bringing in and keeping talented people in the company?
Building a High-Performance Culture through Incentives and Appraisals *Tests whether there is a systematic approach to identifying good and bad performers and rewarding them proportionately*	a) How does your appraisal system work? Tell me about the most recent round? b) How does the bonus system work? c) Are there any non-financial rewards for top performers? d) How does your reward system compare to your competitors?	a) How does your appraisal/ review system work? Can you tell me about your most recent round? b) How does your staff's pay relate to the results of this review? How does the bonus system work? c) Are there any non-financial rewards for the best performers across all staff groups? d) How does your reward system compare to that at other comparable hospitals?	a) How does your evaluation system work? What proportion of your employees' pay is related to the results of this review? b) Are there any non-financial or financial bonuses/ rewards for the best performers across all staff groups? How does the bonus system work (for staff and teachers? c) How does your reward system compare to that of other schools?	a) How does your appraisal system work? Tell me about the most recent round? b) How does the bonus system work? c) Are there any non-financial rewards for top performers? d) How does your reward system compare to your competitors?

Topic	Manufacturing	Healthcare	Education	Retail
Removing Poor Performers/ Making Room for Talent *Tests how well the organization is able to deal with underperformers*	a) If you had a worker who could not do his job what would you do? Could you give me a recent example? b) How long would underperformance be tolerated? c) Do you find any workers who lead a sort of charmed life? Do some individuals always just manage to avoid being fixed/fired?	a) If you had a clinician or a nurse who could not do his job, what would you do? Could you give me a recent example? b) How long is under-performance tolerated? How difficult is it to terminate a nurse/ clinician? c) Do you find staff members who lead a soft of charmed life? Do some individuals always just manage to avoid being fixed/ fired?	a) If you had a teacher who was struggling or who could not do his/ her job, what would you do? Can you give me a recent example? b) How long is under-performance tolerated? How difficult is it to terminate a teacher? c) Do you find staff members/ teachers who lead a soft or charmed life? Do some individuals always just manage to avoid being/ fired?	a) If you had a worker who could not do his job what would you do? Could you give me a recent example? b) How long would underperformance be tolerated? c) Do you find any workers who lead a sort of charmed life? Do some individuals always just manage to avoid being fixed/ fired?
Developing Talent and Promoting High-Performers *Tests whether promotion is performance based and whether talent is developed within the organization*	a) Tell me about your promotion system. b) What about poor performers? What happens with them? Are there any examples you can think of? c) How would you identify and develop your star performers? d) If two people both joined the company 5 years ago and one was much better than the other what job opportunities would he/she have in the company?	a) Can you tell me about your career progression/ promotion system? b) How do you identify and develop your star performers? What types of professional development opportunities are provided? c) How do you make decisions about promotions/ progressions within the unit/ hospital? d) Are better performers likely to be promoted faster or are promotions given on the basis of tenure/ seniority?	a) Can you tell me about your career progression/ promotion system? b) How do you identify and develop your star performers? c) What types of professional development opportunities are provided? How are these opportunities personalized to meet individual teacher needs? d) How do you make decisions about promotion/ progression and additional opportunities within the school, such as performance, tenure, other? Are better performers likely to be promoted faster or are promotions given on the basis of tenure/ seniority?	a) Tell me about your promotion system. b) What about poor performers? What happens with them? Are there any examples you can think of? c) How would you identify and develop your star performers? d) If two people both joined the company 5 years ago and one was much better than the other what job opportunities would he/she have in the company?
Distinctive Employee Value Proposition *Tests the strength of the employee value proposition*	a) What makes it distinctive to work at your company as opposed to your competitors? b) If you were trying to sell your firm to me how would you do this (get them to try to do this)? c) What don't people like about working in your firm?	a) What makes it distinctive to work at your hospital, as opposed to other similar hospitals? b) If I were a top nurse or clinician and you wanted to persuade me to work at your hospital, how would you do this? c) What do you think people may not like about working at your hospital?	a) What makes it distinctive to teach at your school, as opposed to your other similar schools? If you were to ask the last three candidates would they agree? Why? b) How do you monitor how effectively you communicate your value proposition and the following recruitment process	a) What makes it distinctive to work at your company as opposed to your competitors? b) If you were trying to sell your firm to me how would you do this (get them to try to do this)? c) What don't people like about working in your firm?
Retaining Talent *Tests whether the organization will go out of its way to keep its top talent*	a) If you had a star performer who wanted to leave what would the company do? b) Could you give me an example of a star performers being persuaded to stay after wanting to leave? c) Could you give me an example of a star performer who left the company without anyone trying to keep them?	a) If you had a top performing manager, nurse or clinician that wanted to leave, what would the hospital do? b) Could you give me an example of a star performer being persuaded to stay after wanting to leave? c) Could you give me an example of a star performer who left the hospital without anyone trying to keep them?	a) If you had a top performing teacher who wanted to leave, what would the school do? b) Could you give me an example of a star performer being persuaded to stay after wanting to leave? c) Could you give me an example of a star performer who left the school without anyone trying to keep him?	a) If you had a star performer who wanted to leave what would the company do? b) Could you give me an example of a star performers being persuaded to stay after wanting to leave? c) Could you give me an example of a star performer who left the company without anyone trying to keep them?

7.2 Mean of importance of Family, Friends, Leisure, Politics, Work and Religion per country

	Family	Friends	Leisure	Politics	Work	Religion
Argentina	1,11226	1,5654	1,77343	2,931	1,35324	2,16787
Australia	1,06956	1,46223	1,60808	2,4899	1,86537	2,73149
Brazil	1,14324	1,76486	1,8973	2,48108	1,35608	1,59459
Canada	1,06546	1,3814	1,6888	2,55787	1,71869	2,18548
Chile	1,10905	2,21605	1,66872	3,16667	1,46708	2,01029
China	1,19679	1,82731	2,36948	2,3759	1,66024	3,20482
France	1,15707	1,50052	1,75812	2,62304	1,41152	2,74869
Germany	1,23177	1,54511	1,906	2,67693	1,75419	2,92274
Great Britain	1,07065	1,34565	1,67283	2,70109	1,98804	2,65978
Greece	1,14549	1,5806	1,58197	2,4918	1,40574	1,72541
Ireland	1,10853	1,27464	1,52049	2,73976	1,70764	2,17276
Italy	1,06879	1,59446	1,83162	2,77618	1,42197	1,9692
Japan	1,08195	1,59801	1,66445	2,16611	1,63898	3,18494
Northern Ireland	1,08932	1,26362	1,58388	2,88017	2,15251	2,21133
Poland	1,06845	1,71337	1,87701	2,9016	1,54011	1,68449
Portugal	1,25703	1,74559	1,97319	3,11576	1,63048	2,16939
Sweden	1,09447	1,31357	1,51055	2,29648	1,5799	2,91457
United States	1,0571	1,44698	1,75285	2,42904	1,96737	1,88989